Indal Limited

13th Annual Report 1977

Indal Limited is a diversified North American industrial organization with 28 operating subsidiaries and divisions in Canada and 12 subsidiaries in the United States. Founded in 1964 as a small extruder of aluminum and producer of cold rollformed metal products, it now employs more than 4,000 people at 49 Canadian and U.S. manufacturing and processing plants and 19 sales offices and warehouses.

Indal companies extrude aluminum, temper glass and produce a broad range of metal and wood products for the residential and non-residential construction and the home improvement and consumer markets. Other manufacturing includes the recycling of aluminum, the production of steel stampings and containers for the automotive industry and the fabricating of engineered aluminum products for government agencies and industrial customers. A metal trading company in Cleveland, Ohio is also part of the Indal Group.

Indal's Canadian and U.S. plants consume annually more than $46 million worth of aluminum, more than $11 million worth of lumber, some $24 million worth of steel and 35 million square feet of glass. Their output goes mainly to four markets: residential construction; home improvement and consumer; the automotive industry; and non-residential construction. Engineered aluminum products account for the balance.

Fifty-nine percent of the outstanding common shares of Indal Limited are owned by The Rio Tinto-Zinc Corporation Limited, London, England, a world-wide mining and industrial group, through its wholly owned subsidiary, R.T.Z. Industries Limited, and 41 percent are owned by the Canadian public.

Financial highlights

	1977	1976
Sales - manufacturing operations	**$212,150,000**	$158,691,000
Net earnings	**$ 10,007,000**	$ 9,474,000
Earnings per common share	**$ 1.60**	$ 1.55
Average number of common shares outstanding	**6,226,000**	6,060,000
Dividends per common share	**49½¢**	45⅞¢
Common dividends paid	**$ 3,066,000**	$ 2,782,000
Cash flow from operations	**$ 18,919,000**	$ 18,175,000
Common shareholders' equity	**$ 58,300,000**	$ 49,279,000
Fixed assets	**$ 46,521,000**	$ 38,800,000
Working capital	**$ 36,579,000**	$ 35,152,000

Contents

Tempered glass for colourful skylight in Glencairn station of new Toronto subway line was supplied by Tempglass Limited. Entitled "Joy", skylight was coloured for Toronto Transit Commission by artist Rita Letendre.

Corporate directory

Directors

*+ **DERMOT G. COUGHLAN**
President and Chief Operating Officer, Indal Limited, Toronto
THOMAS H. EANSOR
Company Director, Windsor
DEREK EDWARDS
Chairman and Chief Executive, Pillar Aluminium Limited, London, England
ROBERT B. LEESON
Chairman, Westland Metals Ltd., Vancouver
* **J. ROSS LeMESURIER**
Vice-President, Wood Gundy Limited, Toronto
*+ **DONALD J. McDONALD**
Company Director, Toronto
GEORGE H. MONTAGUE
Vice-President, Talcorp Associates Limited, Toronto
* **JAMES A. PATERSON**
Chairman and Chief Executive, R.T.Z. Industries Limited, London, England
+ **J. DEREK RILEY**
Company Director, Winnipeg
PETER G. SELLEY
Vice-President, Finance and Treasurer, Indal Limited, Toronto
* **WALTER E. STRACEY**
Chairman and Chief Executive Officer, Indal Limited, Toronto
WILLIAM R. TUER, Q.C.
Partner, Borden & Elliot, Toronto

Officers

WALTER E. STRACEY
Chairman and Chief Executive Officer
DERMOT G. COUGHLAN
President and Chief Operating Officer
PETER G. SELLEY
Vice-President, Finance and Treasurer
DOWNIE BROWN
Vice-President, Design Engineering, Custom Metal and Home Improvement Products
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KERIN H.S. LLOYD
Group Executive, Manufacturing and Marketing Services
BRUCE P. MORINE
Controller
W. LYLE MUIR
Administrator, Risk Management and Employee Benefits

Head office

4000 Weston Road, Weston, Ontario M9L 2W8

Auditors

COOPERS & LYBRAND
Chartered Accountants

Principal bankers

THE TORONTO-DOMINION BANK
CANADIAN IMPERIAL BANK OF COMMERCE

General counsel

BORDEN & ELLIOT, Toronto

Fiscal agents

WOOD GUNDY LIMITED, Toronto

Transfer agents and registrars

COMMON SHARES
THE ROYAL TRUST COMPANY, Toronto, Montreal, Winnipeg, Calgary, Regina and Vancouver

* Member of the Executive Committee
+ Member of the Audit Committee

Report to the shareholders

Summary of the year

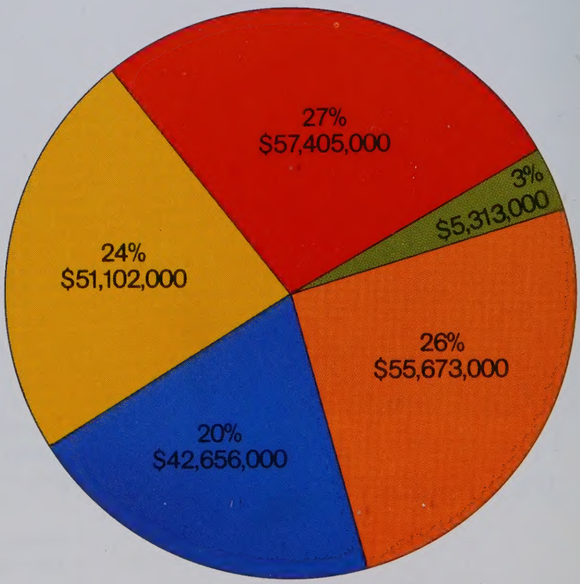
Despite weak economic conditions which adversely affected some of Indal's Canadian markets, 1977 represented another year of solid progress for your Group. Net earnings increased to $10.007 million ($1.60 per share) compared with $9.474 million ($1.55 per share) in the previous year. Group manufacturing sales were $212 million compared with $159 million in the previous twelve months. Metal trading sales which are shown in a note to the financial statements were $226 million compared with $236 million in the previous year.

The increase in Group manufacturing sales was achieved mainly as a result of United States expansions but also from the strength of your Group's Canadian based automotive operations. The erosion of gross margins by 1.2% was caused partly by the inclusion of new United States subsidiaries with lower margins, partly by the extremely competitive market conditions in Canada and by increased material costs and factory expenses. Total Group expenses as a percentage of sales increased very slightly over the previous year due mainly to an increase in financial costs as a result of excess aluminum inventory. During 1977 your Group experienced labour disputes in two aluminum fabricating companies, one of which caused an eleven week strike. These unfortunate occurrences, although now settled, had an adverse effect on earnings for the year since some major customers were lost during this period. The conversion of United States assets and earnings to Canadian dollars made a $783,000 contribution to net earnings and the average rate of taxation was lower than the previous year due to this exchange gain, which was not taxable, and to the Canadian inventory tax credit.

The Canadian economy has been fairly weak throughout 1977 as a result of a combination of continuing concern over inflation, political uncertainties related to the threat of Quebec separation and a resultant lack of business confidence which has led to a low level of new investment in manufacturing. The Canadian dollar, which has fallen to below $0.90 U.S., has reflected this concern. The United States economy, by comparison, was stronger and overall had a reasonably good year. Concern over government policies, however, caused some slowing down towards the end of 1977.

Markets serviced – manufacturing

- Residential construction
- Industrial, commercial, institutional and agricultural construction
- Automotive
- Home improvement and consumer
- Design engineering



The Canadian markets most adversely affected by the economic conditions were non-residential construction which showed a downturn in real terms and consumer markets which had little strength. Residential construction also was not strong and estimated housing starts of 244,000 were well below the previous year's 273,000. A regional exception to this was the province of Alberta where oil and gas expenditures assisted in the completion of a stronger year, relative to the rest of Canada.

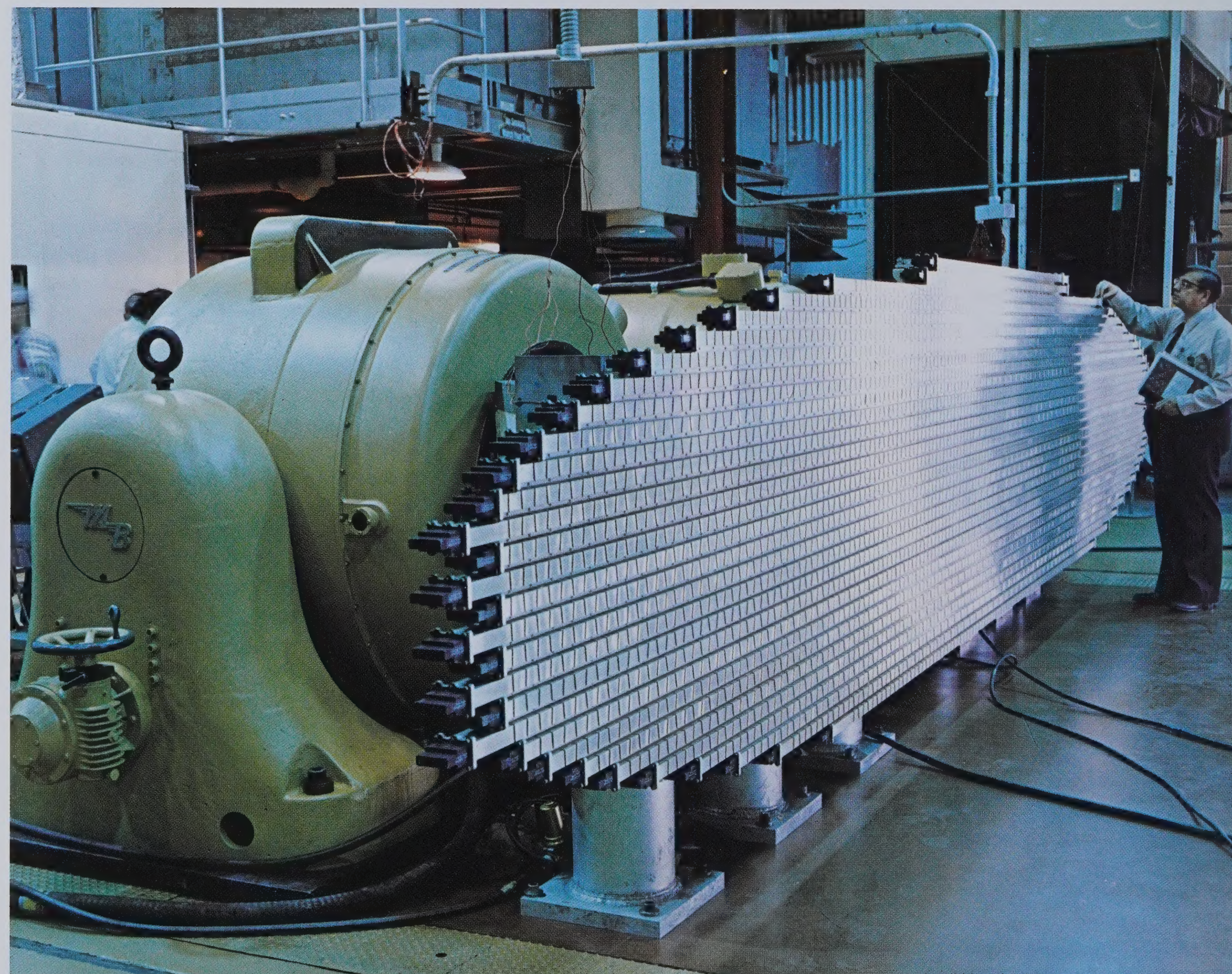
In the United States, your Group's manufacturing activities are mainly related to residential housing, energy conservation products and non-residential construction. Residential construction enjoyed a boom year with close to two million housing starts and expenditures on products related to energy conservation, stimulated by government tax incentives, increased considerably. As a result the great majority of your Group manufacturing operations in the United States made an excellent contribution to earnings. Metal trading results were affected by slow trading due to economic uncertainty and high inventories of users and showed a considerable earnings drop from the previous year.

Financial

The common stock of your company was split two-for-one in May, 1977. At the end of the year the Group balance sheet reflected the improved financial position compared with the previous year, notwithstanding the inclusion of approximately $11 million of surplus aluminum inventory which will either be consumed or disposed of in 1978. Net working capital at the end of the year was $36.6 million, slightly increased over the previous year. In 1977, $10.6 million was spent on fixed asset additions and $3.7 million on the acquisition of new businesses. $1.6 million was spent during the year on the purchase of a number of subsidiary company minority interests.

During the first quarter of 1978 $25 million was raised through the issue of a new class of floating rate preferred shares, most of which will be used to finance the proposed acquisition of 70% of the equity of Peachtree Doors, Inc., Atlanta, Georgia.

New corporate headquarters of Indal Group at 4000 Weston Road, Toronto, Ontario.



Aluminum wave guides extruded by Mideast Aluminum Industries, Inc., Dayton, New Jersey, are key components of antenna for Westinghouse radar system in Boeing Awac (Airborne Warning and Control) aircraft (right). Photo above shows test of antenna at plant of Westinghouse Electric Corporation, Baltimore, Maryland.

Senior officers & management

During 1977 Mr. T. H. Eansor, President, Fabricated Steel Products (Windsor) Limited retired and was succeeded by Mr. A. W. Eansor.

Two senior group personnel, Mr. D. Brown, C.A. (Scotland) and Mr. C.M.B. Mason, B.Comm, M.B.A., were appointed operating Vice-Presidents of Indal Limited.

Other corporate office appointments during the year included Mr. J.D. Hillery, B.A.Sc., LL.B., as Vice-President, Corporate Counsel and Secretary, Mr. V.J. Howcroft, B.A., M.B.A., as Vice-President, Administration, Mr. W.L. Muir as Administrator, Risk Management and Employee Benefits, Mr. K.H.S. Lloyd, P.Eng., B.A., M.B.A., as Group Executive, Manufacturing and Marketing Services — replacing Mr. R.A. Powell who was appointed President of Indal Fabricators Inc., Louisville, Kentucky. Mr. D. Brown was appointed Corporate Development Officer — replacing Mr. J.N. LeHeup who was appointed Executive Vice-President, McKnight Window Industries Limited, Toronto.

A number of senior management promotions were completed during the year as part of the continuous program of upgrading the calibre of operating management. The further expansion of your Group introduced five new senior managers who have considerably strengthened the operating management group.

We believe the calibre of your Group's operating management is extremely high and is unquestionably a most significant factor in the success of your Group.

Corporate changes

Early in the year the business and assets of Mideast Aluminum Industries, Corp., an aluminum extrusion company with plants in Dayton, N.J. and Mountaintop, Pa., were acquired and renamed Mideast Aluminum Industries, Inc. This was followed in the fall by the acquisition of a 75% interest in Empire Metal Products Corporation of Los Angeles, a manufacturer of screen doors, weatherstripping and thresholds, which one month later opened a branch in Columbus, Ohio which will also manufacture storm doors and security doors. At the same time, a new 90% owned subsidiary, Indal Fabricators Inc., was formed in Louisville, Ky., to manufacture expanded aluminum mesh which will be used in the fabrication of security doors and other products. Tempglass Western, Inc., was incorporated during the year to temper and process glass in Fremont, Ca. and is 70% owned. Production from this operation started in November 1977.

Some internal changes also took place within the Group in 1977. The Company acquired the minority interests in Airlite Glass Insulating Limited (25%), Custom Rollforming Company Limited (10%), McKnight Window Industries Limited (25%), and a further 7.5% of the equity in Therma-Tru Limited. SealRite Industries, Inc. and its three wholly owned operating subsidiaries, Northwest Wood Products, Inc., SealRite Windows, Inc., and SealTemp Insulating Glass Company, were merged into SealRite Windows, Inc. Your Group also increased its equity interest in

SealRite Windows by 3.7%. Aluminum Processes Incorporated, which licences engineering technology and which was formerly a wholly owned subsidiary of 75% owned Rio Indal, Inc., became an 87.5% owned subsidiary of Indal. Dominion Aluminum Fabricating Limited was renamed DAF Indal Ltd. while Western Aluminum Products, Edmonton Division, changed its name to Windowmaster Products Division.

Outlook

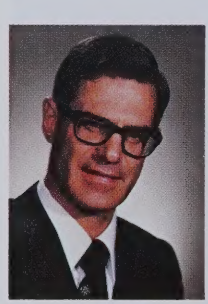
The economic outlook and forecast for your Group made in last year's report proved to be quite accurate and at this stage the outlook for 1978 appears to be somewhat more promising. Dealing first with Canada, the announcement of the termination of AIB controls during 1978 should provide a psychological boost to business and the danger of further serious inflationary pressures may be avoided due to the present weak state of the Canadian economy and high levels of unemployment. We anticipate that real growth in the Canadian economy in 1978 may be in the region of 3½%, rather less than some economic forecasts. Inflation is expected to be around 7% to 7½% — a slight moderation from 1977 — and unemployment is expected to continue around 8% throughout the year. The possibility of a federal election during the year, perhaps preceded by positive economic moves and government stimulatory measures to reduce unemployment, may cause some improvement in business conditions in the second half of the year.

Although housing starts in Canada in 1977 fell considerably short of the previous year, there was still a large inventory of unsold houses at the end of 1977, particularly in Ontario. This suggests persistent overbuilding by the construction industry, which is unrealistic in the context of current Canadian economic and financial conditions. Housing starts in 1978 are expected to be around 230,000, a flat year except for the province of Alberta which continues to show a better rate of activity than the rest of Canada and where your Group is well represented. Your Group already has seven plants in Alberta and plans a further residential building products operation north of Calgary, which should be in production by mid-summer.

Non-residential construction is expected to continue through much of 1978 at the same low level of 1977. Business investment in plant and equipment may, as a result of the initial stages of a northern gas pipe line and other northern oil projects, be somewhat more encouraging in the latter part of the year. Nevertheless, business spending on plant and equipment is still only expected to show real growth over the year of slightly more than 1%. Manufacturing activity is already in a state of productive over-capacity in relation to market demand and it is believed that the real upturn in non-residential construction, reflecting the start of new investment following the termination of AIB controls, will be in 1979.

Consumer spending is anticipated to rise to around 4% in real terms compared with 3% in 1977 and home improvement products, particularly in those regions of Canada which are receiving tax incentives for energy conservation products, should enjoy buoyant demand.

Corporate management



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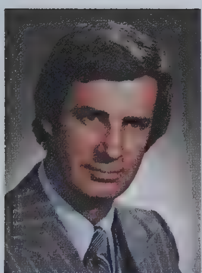

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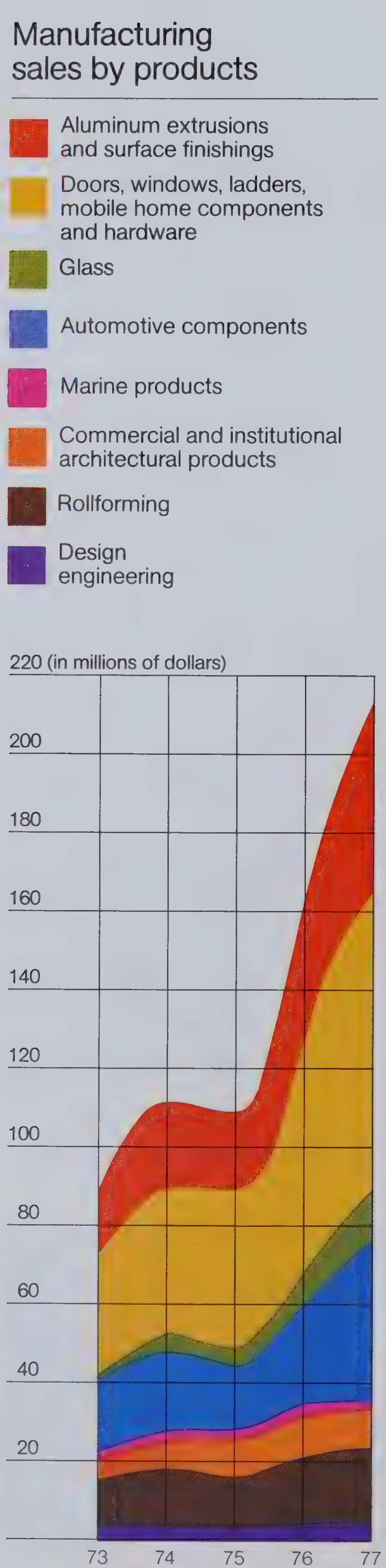
Your Group's main Canadian strength in 1978 should be its automotive operations as North American car and truck production is again expected to be in the region of 14 million units and your Windsor, Ontario automotive subsidiary, which exports most of its product to the United States is expanding its productive capacity in 1978 to accommodate a number of new products and customers. This particular area of your Group's business enjoyed an outstanding year in 1977 and since its share of the North American market is still quite small, there is every opportunity open to it for further market penetration.

Turning to the United States, the economic position, particularly towards the end of 1977, appeared to be increasingly hesitant as a result of considerable uncertainty over government policy. United States economic forecasts in 1978 are for real growth in the economy of around 4½% with housing starts again very buoyant around 1.8 million. Expenditure on plant and equipment is anticipated to increase by around 6% in real terms and consumer spending by 4%. Inflation is forecast in the region of 6%. These economic indicators may not be quite as buoyant as those for 1977 but they are nevertheless relatively encouraging compared with Canada. Of particular importance is the fact that Indal's existing markets in the United States are, in order of size, related to energy conservation products, non-residential construction and residential housing. The current United States government tax incentives to home owners to invest in energy conserving materials should continue to provide a substantial boost to this important area of your Group's business.

Your Group continued its expansion in the United States throughout 1977 and now has twelve operations in various geographic regions. The year 1978 should benefit from a full year's contribution to earnings from those subsidiaries started or acquired in 1977. Although metal trading profits were lower in 1977, aluminum industry forecasts for 1978 suggest prime producer price increases which should be reflected in broker prices. Also, prospects for increased sales volume are reasonably good as customer inventories are lower than at this time last year. An improved contribution from metal trading earnings may therefore be achieved. During the first quarter, minorities in both the Canadian automotive and United States metal trading operations were purchased and, assuming a continuation of current levels of profitability, these will benefit earnings in 1978.

We continue to explore new opportunities for growth particularly in the United States, but also in those selected areas in Canada where your Group's market position is not strong or where an expansion of existing activities is indicated. The growing United States Group is already benefiting from increased earnings through the integration of raw materials and products between various subsidiaries. A major step in the continuation of your Group's planned United States expansion was made, subsequent to the end of the year, with the proposal to acquire 70% of Peachtree Doors, Inc., Atlanta, Georgia. This manufacturer of building products related to energy conservation had sales in excess of $40 million in fiscal 1977 and is experiencing excellent growth. The completion of this acquisition is subject to a number of contingencies but, assuming it



is completed, it will prove to be a significant step for your Group in the further expansion of its business in the United States. Apart from the obvious benefits of association with a well-managed company in a familiar field, it will provide important integration in the supply of raw materials and the distribution of products through some 500 distributors who are part of the Peachtree marketing organization. Senior members of management will be continuing their current roles and will retain a minority shareholding.

In reviewing prospects for 1978, it is believed that although there are very unsettled economic conditions in both Canada and the United States, your Group's product and geographic diversification together with its selective investment in areas showing good growth prospects, will provide opportunities for continued growth and increased earnings.

We would particularly like to express our appreciation to those employees whose efforts throughout 1977, a difficult year, made possible the results achieved.

D. G. Coughlan,
President

W. E. Stracey,
Chairman of the Board

Review of markets and operations

Residential construction

Airlite Glass Insulating
Alamo Aluminum
Alumiprime Division
Hialco Mfg. Division
McKnight Window Industries
SealRite Windows
Therma-Tru
Western Aluminum Products
Calgary Division
Winnipeg Division
Windowmaster Products

Group operations producing residential construction products in Calgary, Edmonton and Winnipeg completed another successful year as sales in Alberta and Manitoba surged in the last quarter. Elsewhere in Canada, however, the drop in housing starts, from last year's record 273,000 to 244,000, weakened markets. Competition was especially severe for the wood window manufacturing operation in Toronto where large inventories of unsold houses will persist well into 1978.

In British Columbia, the Port Coquitlam operation began production of insulating glass units and opened a branch on Vancouver Island. Both moves helped it offset a sales decline for other products and in other markets.

Companies in Toronto and Winnipeg that produce window systems for high rise apartments, residential steel entrance doors and insulating glass units had satisfactory results.

Sales of residential construction products in the United States were increased by a rise in the number of housing starts and the impact of the first full year's operation of subsidiaries in Lincoln, Nebraska and Santa Clara, California. The Lincoln operation achieved record sales of prime wood windows, patio doors and insulating glass units and opened an assembly operation in Spokane, Washington, to service new accounts in the energy conscious northwest states and Alaska. Sales of the expanding Santa Clara operation benefited in the first half from a house-building boom in northern California.

Home improvement and consumer products

Brampton Aluminum Products
Empire Metal Products
Fashion Grilles Division
Indal Products
Rebmec Division
Lite Metals Division
Marine Division
Replacement Products Industries

Group operations serving the home improvement and consumer markets were expanded in August by the acquisition in Los Angeles, of a leading U.S. producer of screen doors, weatherstripping and threshold products. This new Indal operation markets its products nationally in the U.S. through mass merchandising chain stores and 'do-it-yourself' outlets.

In the U.S. and Canada's Maritime provinces, Group sales of home improvement products benefited from government tax incentives which contributed to a continued positive consumer reaction to energy conservation. The Philadelphia operation producing replacement windows achieved impressive sales increases and penetrated new markets in the northeast states. In the Maritimes, where two provincial governments made cash grants available to home owners installing storm doors and storm windows, the Amherst operation produced at capacity to meet demand and finished the year with a record backlog of orders.

Elsewhere in Canada, most Group companies producing home

improvement and consumer products faced tougher competition and a reduced demand for leisure products. Unrealistic price competition continued in the ladder industry. The Marine Division's aluminum boat production in Toronto was discontinued and the remaining stock was sold. An 11 weeks strike at the Toronto plant producing storm doors and storm windows also depressed earnings. 1977, however, was a profitable year for the Toronto operation producing shower tub enclosures, door and window hardware, and other home improvement products.

Extrusions and aluminum recycling

Indalex Division
Indalloy Division
Mideast Aluminum Industries
Royal Aluminum

Despite the recession in the industrial sector of the Canadian economy, extruding operations in Montreal, Toronto, Calgary and Vancouver completed another profitable year with higher sales.

Extruding operations in the U.S. were expanded in March, 1977, by the acquisition of a New Jersey company with plants in Dayton, N.J. and Mountaintop, Pennsylvania. This company, which concentrates on the production of custom-engineered extrusions for industrial customers, completed a satisfactory year. For the extruding operation in Los Angeles, 1977 was another year of increased sales and earnings.

The aluminum recycling operation in Toronto surmounted its start-up problems and completed a successful year. Earnings were improved over those of the previous year and production levels demonstrate that the facility is fully capable of the secondary aluminum supply role originally envisaged for it.

Non-residential construction

Commercial Aluminum Division
Dominion Bronze
Eastland Metals
Westland Metals

The decline in industrial construction created another difficult year for Group companies producing cold rollformed metal siding and roofing in Vancouver, Calgary, Edmonton and Toronto.

In British Columbia, where markets were weakest and competition intensified, management changes resulted in a decision to discontinue certain product lines and to dispose of some inventory. Better selling prices at the close of the year have also improved prospects for a turnaround in 1978.

Increased sales of steel cladding for agricultural construction helped the Toronto operation offset the drop in industrial product sales and complete another satisfactory year.

Alberta was a bright spot in the market for store fronts and commercial doors and Group operations producing these products in Calgary were profitable. Poor conditions in the Ontario market served by the commercial aluminum operation in Toronto are expected to improve in 1978.

The Winnipeg operation manufacturing architectural components and curtain wall for institutional and commercial buildings enjoyed a successful year due mainly to its participation in the buoyant Alberta market.

Automotive

Fabricated Steel Products
Fairmont Plating (Alta)
Fairmont Plating (Man)

Record sales were achieved by the Group's automotive products company in Windsor, Ont., with both metal stampings and material handling containers showing substantial increases. Profits also rose, aided by the declining exchange rate for the Canadian dollar which benefited the returns from U.S. exports which comprise the bulk of this operation's sales.

Since the year-end, the Windsor operation has begun a $5.15 million expansion which will increase its productive capacity by 20 percent and provide jobs for up to 70 additional people. The expansion is to be completed by June, 1978.

During the year, bumper recycling operations in Winnipeg and Edmonton were placed under one management and their industrial plating facilities were expanded to create new opportunities for further market penetration.

Design engineering

DAF Indal

A depressed market for engineered aluminum structures, relatively high operating overheads, and some unprofitable contract commitments produced further losses at the Group's design engineering facility in Mississauga, Ont. To correct this situation the company will concentrate its future production and marketing activity on three categories of products: its successful helicopter hangar and helicopter recovery systems, standard products such as flag poles, aluminum trusses for expressway signs, etc., and custom-built aluminum wind turbines.

Dominion Bronze Limited recovered during 1977 the dome roof of Rainbow Stage, Winnipeg, with bronze anodized aluminum grid and tinted lexan.

Birds-eye view of new residential development in Fort McMurray, Alberta, showing housing units and high-rise apartment buildings containing more than a million dollars worth of coloured prime aluminum windows supplied in 1977 by Windowmaster Products, Edmonton. Built for Syncrude Ltd. by Northward Developments Limited, subdivision contains more than 1,000 housing units and three 13-storey apartment towers. The major contractors were NuWest Development Corp. Ltd., L. Bergman Structures Ltd. and Builders Contract Management Ltd.

Tempered glass

Tempglass, Inc.
Tempglass Limited
Tempglass Western

The Group's first glass tempering operation in Toronto improved results by increasing sales on both its commodity sizes and custom products. Some new applications, such as back walls for squash courts, and all glass entrances represent a growing proportion of sales.

In Toledo, Ohio, the Group's first U.S. glass tempering operation, which completed its first full year, substantially increased production as sales were stimulated by demand for insulating units and tightened Federal regulations requiring safety glass in buildings. The outlook for 1978 is very encouraging.

A second U.S. plant for tempering architectural glass by technology exclusive to Indal in North America began production in Fremont, Calif. in November. It will serve markets in California and British Columbia where there is growing trade awareness of the superior optical qualities of large sheets of glass tempered by the "tong-free" horizontal process.

Metal trading

Rio Indal

Rio Indal achieved another high level of aluminum trading but large customer inventories and uncertainties about the direction of the U.S. economy reduced profit margins below historical levels. A firming of prices for 1978, however, was forecast at the end of the year.

Rio Indal is engaged in buying and selling aluminum, and some zinc and other metals, to expedite metal movements from customers with surplus stocks to those requiring additional inventory and vice versa. Its transactions, which are almost exclusively on a back-to-back basis, serve primary producers of the metals as well as users.

Other activities

Aluminum Processes
Custom Rollforming
Custom Zinc Die Casting
North American Die Casting
RAM Partitions

Die casting operations in Fredericksburg, Virginia, and custom rollforming in Toronto had excellent results as the energy crisis sharply increased U.S. demand for storm doors and storm windows and Canadian demand for insulating glass. The Fredericksburg operation established in 1973 is now a large supplier of zinc hardware to the U.S. aluminum door and window industry and an increasingly important producer of zinc components for other customers. The Toronto operation produces rollformed spacers for insulating glass units.

Aluminum Processes, Cleveland, previously a subsidiary of Rio Indal, became a direct Indal subsidiary in 1977. Income from the sale of its industrial processes was small but some additional contracts giving the company exclusive rights to sell new processes in North America were negotiated.

Although its competition was severe, the Toronto operation producing office partitions and furniture systems completed another satisfactory year.

More than 4,000 men and women are employed by Indal and its subsidiaries at 68 locations in Canada and the United States. Photos show some of these people at work in plants and offices.

Indal Limited

Consolidated statement of earnings and retained earnings for the years ended December 31

	(in thousands of dollars) 1977	1976
Earnings		
Sales from manufacturing operations (note 3)	**$212,150**	$158,691
Cost of manufacturing sales	**157,119**	115,698
Gross profit from manufacturing operations	**55,031**	42,993
Gross profit from metal trading (note 3)	**3,681**	5,210
	58,712	48,203
Expenses	**40,003**	29,489
Selling and distribution	**17,136**	12,559
Administration	**17,439**	13,378
Financial	**5,428**	3,552
	18,709	18,714
Other income less expenses	**570**	479
Earnings before income taxes (notes 1 and 4)	**19,279**	19,193
Income taxes (note 5)	**7,838**	8,452
Earnings after income taxes and before minority shareholders' interest	**11,441**	10,741
Minority shareholders' interest	**1,434**	1,267
Net earnings	**$ 10,007**	$ 9,474
Earnings per common share		
Basic	**$ 1.60**	$ 1.55
Fully diluted (note 6)	**$ 1.55**	$ 1.45
Retained earnings		
Balance - beginning of year	**$ 24,521**	$ 17,901
Net earnings	**10,007**	9,474
	34,528	27,375
Dividends paid		
Preferred shares	**68**	72
Common shares	**3,066**	2,782
	3,134	2,854
Balance - end of year	**$ 31,394**	$ 24,521

Indal Limited

Consolidated balance sheet as at December 31

Assets

	(in thousands of dollars) 1977	1976
Current assets		(note 7)
Accounts receivable -		
Manufacturing	**$ 34,665**	$ 28,709
Metal trading	**38,455**	27,249
Inventories (note 7)	**53,372**	44,150
Other accounts receivable and prepaid expenses	**3,496**	2,426
	129,988	102,534
Fixed assets - at cost		
Land	**4,219**	3,430
Buildings	**18,880**	15,618
Machinery and equipment	**30,648**	25,563
Leasehold improvements	**2,620**	1,905
Office furniture and equipment	**2,269**	1,394
Motor vehicles	**4,054**	3,181
	62,690	51,091
Accumulated depreciation	**17,919**	13,853
	44,771	37,238
Tools and dies - at cost, less amortization	**1,750**	1,562
	46,521	38,800
Intangible assets		
Goodwill (note 8)	**14,044**	12,170
Deferred charges, less amortization (note 9)	**1,034**	1,281
	15,078	13,451
	$191,587	$154,785

Signed on behalf of the Board
D.G. Coughlan, Director
W.E. Stracey, Director

Liabilities

	1977	1976
	(in thousands of dollars)	
Current liabilities		(note 7)
Bank advances (note 10)	**$ 21,629**	$ 22,222
Accounts payable -		
Manufacturing	**16,030**	10,364
Metal trading	**37,363**	20,136
Affiliates	**—**	928
Other accounts payable and accrued charges	**10,726**	6,693
Income and other taxes payable	**4,142**	4,640
Deferred income taxes relating to current assets	**1,058**	860
Current portion of long-term debt (note 11)	**2,461**	1,539
	93,409	67,382
Long-term debt less current portion (note 11)	**25,507**	26,284
Deferred income taxes	**7,346**	6,284
Minority shareholders' interest in subsidiary companies	**5,942**	4,389
	132,204	104,339

Shareholders' equity

Capital stock (notes 12 and 15)

Authorized -

158,334 cumulative preferred shares of the par value of $10 each, issuable in series, of which 65,000 have been designated as Series A and 43,334 as Series B

10,000,000 common shares of no par value

Issued and fully paid -

	1977	1976
108,334 6% Series A and B preferred shares redeemable at 103%	**1,083**	1,167
6,464,412 common shares	**26,906**	24,758
Retained earnings	**31,394**	24,521
	59,383	50,446
	$191,587	$154,785

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Indal Limited as at December 31, 1977 and the consolidated statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1977 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
February 10, 1978

Coopers & Lybrand
Chartered Accountants

Consolidated statement of changes in financial position for the years ended December 31

		(in thousands of dollars) 1977	1976
Source of funds			(note 7)
Operations -			
Net earnings before minority shareholders' interest		$ 11,441	$ 10,741
Items not affecting funds -			
Depreciation and amortization		6,256	5,077
Deferred income taxes		1,082	2,258
Amortization of goodwill		140	99
		18,919	18,175
Proceeds from sale of fixed assets		250	833
Issue of long-term debt		5,439	9,198
Issue of common shares - conversion of debentures		1,870	130
- exercise of stock options		278	250
Investment by minority shareholders		485	150
Total source of funds		27,241	28,736
Application of funds			
Purchase of fixed assets		10,638	8,885
Acquisition of businesses (note 2)	$3,746		
Less: Working capital acquired	1,387	2,359	1,520
Purchase of additional equity in subsidiaries (note 2)		1,637	—
Dividends - preferred shares		68	72
- common shares		3,066	2,782
Dividends to minority shareholders in subsidiary companies		328	335
Redemption of preferred shares		65	54
Retirement of long-term debt and change in current portion		7,439	3,389
Additions to deferred charges		203	1,079
Other		11	201
Total application of funds		25,814	18,317
INCREASE IN WORKING CAPITAL		$ 1,427	$ 10,419
Changes in elements of working capital			
WORKING CAPITAL - BEGINNING OF YEAR		$ 35,152	$ 24,733
Current assets - increase			
Accounts receivable and prepaid expenses		18,232	18,721
Inventories		9,222	14,463
		27,454	33,184
Current liabilities - (increase)/decrease			
Bank advances and current portion of long-term debt		(329)	(21,437)
Accounts payable and accrued charges		(25,998)	681
Income and other taxes payable		300	(2,009)
		(26,027)	(22,765)
NET INCREASE IN WORKING CAPITAL		1,427	10,419
WORKING CAPITAL - END OF YEAR		$ 36,579	$ 35,152

Notes to consolidated financial statements for the year ended December 31, 1977

1. Accounting policies

Basis of consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries. All material inter-company items and transactions are eliminated on consolidation. In respect of acquisitions subsequent to January 1, 1974 goodwill is amortized over its estimated life or forty years, whichever is the lesser. Goodwill resulting from acquisitions or agreements entered into prior to January 1, 1974 is not amortized.

Translation of foreign currency

Assets and liabilities in U.S. funds are translated to Canadian dollars at the rate of exchange in effect at the year-end. Income and expenses in U.S. funds are converted to Canadian dollars at a rate approximating the average rate of exchange during the year. The exchange adjustment on current assets and current liabilities and on income and expenses (amounting to $783,000 in 1977 and an insignificant amount in 1976) is taken into income. Other adjustments made on the translation of foreign currencies are deferred.

Inventories

Raw material inventories are valued at the lower of cost and replacement cost and other inventories are valued at the lower of cost and net realizable value. Cost is generally determined on a first-in, first-out basis.

Fixed assets

Fixed assets, including expenditures which improve or prolong the useful lives of the assets, are stated at cost at time of acquisition.

Depreciation is computed on a straight-line basis at rates based on the estimated useful lives of these assets. The estimated useful lives range between twenty to forty years for buildings, eight to ten years for machinery and equipment, seven to ten years for office furniture and equipment, three to four years for motor vehicles, the life of the lease for leasehold improvements and two to ten years for tools and dies.

Maintenance and repair costs of a routine nature are charged to earnings as incurred.

Deferred charges

Preproduction costs are amortized over 1 to 5 years. New product development costs are charged to earnings in the period in which they are incurred.

Debenture issue expenses are amortized over the term of the debenture.

Patents and licences are amortized over their estimated useful lives.

Income taxes

The deferral method is used in accounting for income taxes. Timing differences giving rise to deferred income taxes relate primarily to:

- Depreciation and amortization — where the cumulative amounts claimed for tax purposes differ from the amounts recorded in the accounts.
- Accounts receivable holdbacks — which are not taxed until actually released.
- Prepaid expenses — which are claimed for tax purposes when incurred.

Pension plan

The Company accounts for current pension costs on an accrual basis. Past service costs are insignificant.

Earnings per share

Earnings per share are calculated using the weighted average number of shares outstanding during the year.

2. Acquisitions

(a) On July 1, 1977 the Company acquired 75% of the issued share capital of Empire Metal Products Corporation ("Empire"), a manufacturer of screen doors, weatherstripping and thresholds, located in Los Angeles, California. The results of operations of Empire are reflected in the consolidated statement of earnings from July 1, 1977. On March 1, 1977 the Company also acquired the net assets of an aluminum extruding business with locations in Dayton, New Jersey and Mountaintop, Pennsylvania ("Mideast").

The consideration for these acquisitions, which have been accounted for as purchases, has been allocated as follows:

	Empire	Mideast
Total assets acquired, at assigned costs	$ 3,215,000	$ 5,579,000
Total liabilities acquired, at assigned costs	(2,250,000)	(3,290,000)
Minority interest	(377,000)	—
Goodwill	869,000	—
Total consideration represented by cash payments	$ 1,457,000	$ 2,289,000

(b) During 1977 the Company acquired for a cash consideration of $1,637,000 the remaining equity of the following subsidiary companies; Airlite Glass Insulating Limited (25%), Custom Rollforming Company Limited (10%) and McKnight Window Industries Limited (25%). The Company increased its equity in SealRite Windows, Inc. by a further 3.7% and in Therma-Tru Limited by a further 7.5%.

3. Sales

Sales by major categories were:

	1977	1976
Aluminum extrusions and surface finishings	**$ 45,743,000**	$ 29,961,000
Doors, windows, ladders, mobile home components and hardware	**76,376,000**	60,448,000
Commercial and institutional architectural products	**10,600,000**	10,901,000
Glass	**12,321,000**	7,574,000
Rollforming	**18,450,000**	17,288,000
Automotive	**41,935,000**	25,540,000
Design engineering	**5,313,000**	4,353,000
Marine	**1,412,000**	2,626,000
Manufacturing sales	**$212,150,000**	$158,691,000
Metal trading sales	**226,176,000**	236,404,000
	$438,326,000	$395,095,000

4. Earnings before income taxes

Earnings before income taxes are stated after charging:

	1977	1976
Depreciation and amortization	**$ 6,256,000**	$ 5,077,000
Interest on bank advances	**2,706,000**	1,084,000
Interest on long-term debt	**2,473,000**	2,063,000
Rent on leased premises	**1,638,000**	1,242,000
Remuneration of directors and senior officers -		
(i) During the year the Company had 12 directors (12 in 1976) and 14 officers (10 in 1976), 3 of whom were also directors. 6 directors and 10 officers (3 directors and 3 officers in 1976) were also officers of subsidiaries.		
(ii) Aggregate remuneration as directors amounted to	**26,000**	20,000
(iii) Aggregate remuneration paid by the Company and its subsidiaries to officers amounted to:		
(a) Indal Limited	**1,012,000**	548,000
(b) Subsidiaries	**383,000**	497,000

5. Income taxes

The income taxes based on the earnings for the year are made up of:

	1977	1976
Income taxes payable	**$ 6,558,000**	$ 6,194,000
Deferred income taxes	**1,280,000**	2,258,000
	$ 7,838,000	$ 8,452,000

6. Dilution of earnings per common share

Fully diluted earnings based on the exercise of all stock options would be $1.55 per share, assuming that the potential proceeds of $1,286,000 on exercise of stock options would yield income at an interest rate of 9.5%.

7. Inventories

	1977	1976
Raw materials	**$ 40,966,000**	$ 31,649,000
Work in process	**4,246,000**	2,425,000
Finished goods	**8,160,000**	10,076,000
	$ 53,372,000	$ 44,150,000

In 1976, aluminum and steel amounting to $8,982,000 was sold to a consortium, which inventory the Company had contracted to repurchase within a period of three years. A similar arrangement has been concluded in 1977 for a two year period, involving inventories in the amount of $11,012,000. The repurchase commitment has been included in inventories and bank advances in these statements for both 1977 and 1976, a revision of the 1976 presentation.

8. Goodwill

In respect of acquisitions prior to January 1, 1974, goodwill at December 31, 1976 amounted to $10,689,000. During 1977, the Company acquired additional equity in these subsidiaries (Note 2) giving rise to additional goodwill of $901,000. These amounts, totalling $11,590,000, are not being amortized.

In respect of acquisitions or agreements entered into subsequent to January 1, 1974, goodwill at December 31, 1976 amounted to $1,481,000. Further purchases under the above agreements created $107,000 goodwill and in new acquisitions made during 1977 the purchase consideration exceeded the assigned value of assets acquired by $869,000. All of the above amounts, totalling $2,457,000, are being amortized over a period of forty years. During 1977 $140,000 of this goodwill was amortized.

Rio Indal, Inc.

The Company has an agreement to acquire on request from the minority shareholders of Rio Indal, Inc. (a metal trading operation), their shareholdings in that corporation at a price based on the profits earned during the three years ended December 31, 1977. The Company has thought it prudent to provide annually an amount towards any goodwill which may arise on the exercise of these options. It is expected that these options will be exercised in 1978 and that goodwill will amount to $2,249,000. At December 31, 1977 $1,840,000, including $229,000 in 1977, has so far been provided towards this. The provision has, for balance sheet purposes, been recorded under "Other accounts payable and accrued charges".

9. Deferred charges less amortization

	1977	1976
Preproduction costs	**$ 676,000**	$ 956,000
Debenture issue expenses	**355,000**	321,000
Patents and licences	**3,000**	4,000
	$ 1,034,000	$ 1,281,000

During the year, total expenditures capitalized in respect of deferred charges were $203,000 and amortization totalled $470,000.

10. Bank advances

Bank advances, exclusive of the $11,012,000 referred to in note 7, are secured by the pledge of accounts receivable and, in the parent company and certain subsidiaries, by inventories.

11. Long-term debt

	1977	1976
8½% Sinking Fund Debentures, Series A, secured by a pledge of certain assets of the Company and shares of certain subsidiaries, due on March 15, 1993 with annual repayments by way of sinking fund of $200,000 in 1979 and 1980, $300,000 in 1981 to 1984, $400,000 in 1985 to 1988 and $550,000 in 1989 to 1992	**$ 7,300,000**	$ 7,500,000
Prime plus 1% Series B Debentures, secured by a pledge of certain assets of the Company and shares of certain subsidiaries, repayable quarterly over 3 years, having commenced September 30, 1977	**4,167,000**	5,000,000
9½% Convertible Debentures, Series A, due on March 1, 1980, convertible by the holders at any time up to that date into common shares of the Company at $5.785 per share	**—**	1,870,000
Industrial Development Bonds Series A, due in monthly instalments to 1989 with interest at 6% to 7¼%	**892,000**	925,000
Industrial Development Bonds Series B, due in monthly instalments to 1992 with interest at 5$\frac{1}{10}$% to 7⅞%	**763,000**	—
Mortgages maturing -		
within 5 years, 6% to 11¾%	**1,505,000**	1,552,000
in 5-10 years, 8%	**422,000**	453,000
after 10 years, 2% to 12½% (including $2,178,000 in U.S. funds)	**7,979,000**	7,151,000
Prime plus 1½% bank term loans, secured by a pledge of shares of certain U.S. subsidiaries, repayable in 20 equal quarterly instalments of U.S. $64,300 to commence January 2, 1979, with a final payment of U.S. $64,000 (as renegotiated in 1977)	**1,471,000**	1,800,000
Prime plus 1½% (1¾% after May 15, 1979) bank term loan, secured by a pledge of the shares of certain U.S. subsidiaries, repayable in 24 quarterly instalments of U.S. $70,825 commencing May 15, 1978 (as renegotiated in 1977)	**1,853,000**	800,000
Other (including $155,000 from a director)	**1,616,000**	772,000
	$ 27,968,000	$ 27,823,000
Less: Portion due within one year	**2,461,000**	1,539,000
	$ 25,507,000	$ 26,284,000

Repayments of long-term debt over the next five years are as follows:

1978	**$ 2,461,000**
1979	**3,006,000**
1980	**2,468,000**
1981	**1,468,000**
1982	**1,459,000**

12. Capital stock

(a) Changes in capital stock

The number of issued shares reflect a two for one stock split of the Company's common shares which was effected during 1977. The authorized number of common shares has been increased to 10,000,000 shares.

The following changes in the issued capital stock occurred during 1977:

	Number of Shares	Amount
(i) 6% PREFERRED SHARES		
December 31, 1976	116,670	$ 1,167,000
Redemptions	8,336	84,000
December 31, 1977	108,334	$ 1,083,000
(ii) COMMON SHARES		
December 31, 1976	6,091,520	$ 24,758,000
Exercise of stock options	49,650	278,000
Conversion of Debentures	323,242	1,870,000
December 31, 1977	6,464,412	$ 26,906,000

(b) Stock options

At December 31, 1977, there were outstanding options to purchase 211,640 common shares (including 41,086 to directors and senior officers) which are exercisable at varying amounts between $3.875 and $8.25 per share. These options expire at various times between 1978 and 1984.

13. Contingent liabilities and commitments

(a) The Company has agreed to acquire, on request from the present minority shareholders of ten subsidiaries, their shareholdings in these companies at prices based on the profits earned by such subsidiaries. In respect of five subsidiaries these rights were not yet exercisable at December 31, 1977 and hence the potential cost cannot be determined. For those subsidiaries on which these rights may be exercised, the cost based on profits to December 31, 1977 would be approximately $8,000,000. Of this amount it is expected that $7,400,000 will be paid in 1978.

(b) Minimum annual rentals under contracts for lease of premises amount to $1,683,000, of which $1,019,000 relates to leases expiring after December 31, 1982.

(c) Directors have authorized the expenditure of $5,150,000 for the expansion of one of the Company's subsidiaries.

14. Anti-inflation legislation

The Company and its Canadian subsidiaries are subject to restraint of profit margins, prices, dividends and compensation under the terms of the Anti-Inflation Act and Regulations. Currently, the Company is paying the maximum quarterly dividend allowed of 12.75 cents per share.

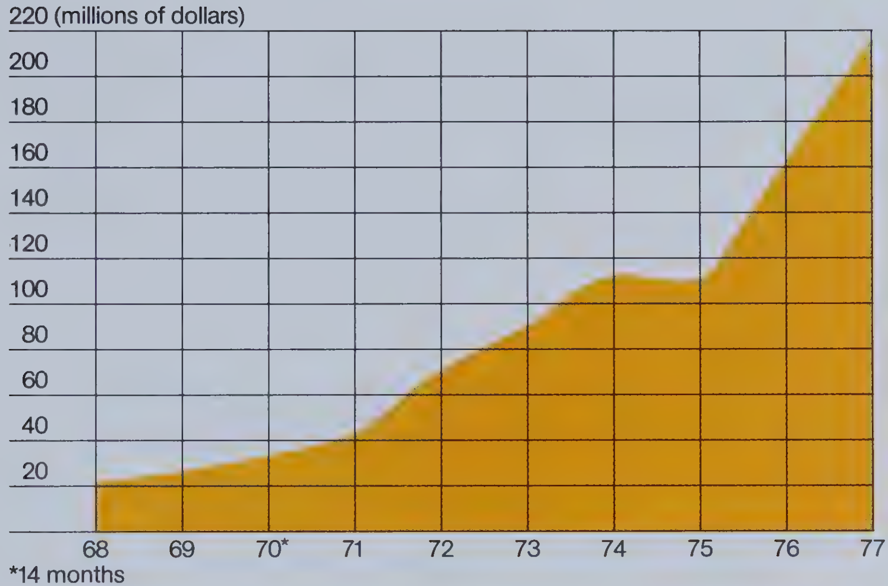
15. Subsequent events

The Company, through its wholly-owned subsidiary, Indal Inc. has entered into an acquisition agreement with Peachtree Doors, Inc. of Norcross, Georgia, whereby Indal Inc. will acquire 70% of the shares of Peachtree for an aggregate cash consideration of U.S. $20,790,000. The acquisition is subject to approval by the affirmative vote of a majority of the shareholders of Peachtree and both the Company and Peachtree have certain termination rights.

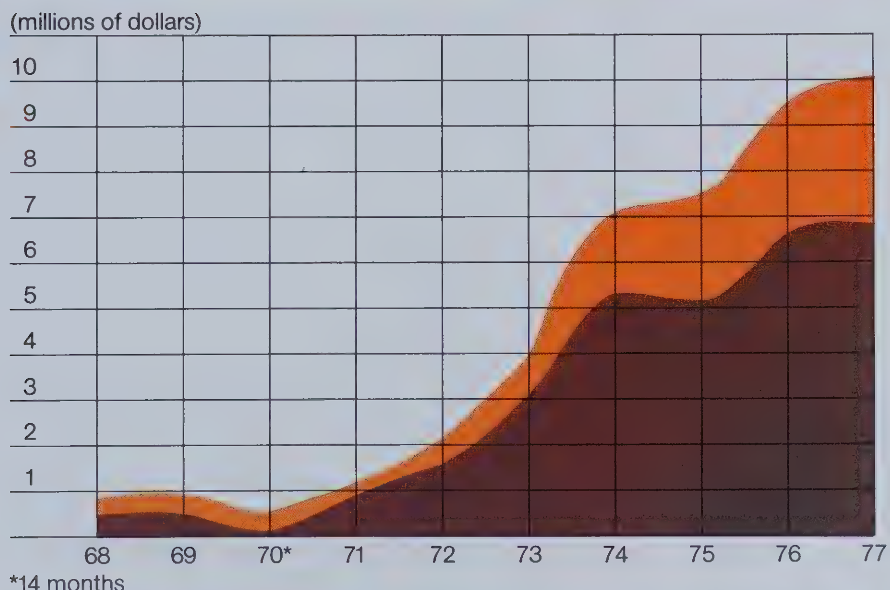
The Company intends to raise $25,000,000 in Canada by way of a Floating Rate Preferred Share issue. If the acquisition of Peachtree is completed, approximately $22,900,000 of the proceeds will be used for this purpose. The balance of the proceeds will be added to the general funds of the Company, of which approximately $1,100,000 will be used to redeem the existing 6% Series A and Series B Preferred Shares.

Financial charts

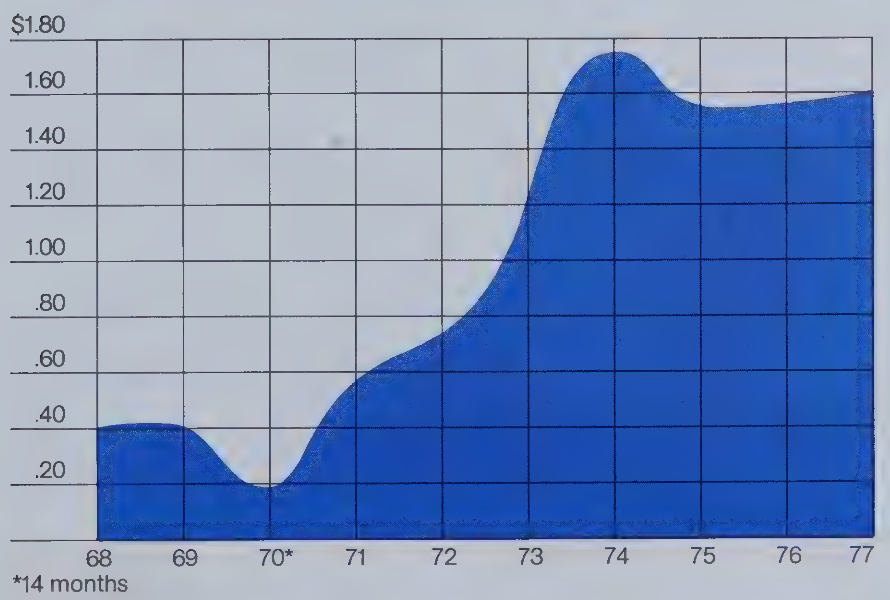
Manufacturing sales



Net earnings
Dividends
Retained



Earnings per common share



Ten year financial summary

Sales - manufacturing operations
Sales - metal trading
Gross profit - manufacturing operations
Gross profit - metal trading
Earnings before income taxes
Net earnings for the period
Preferred dividends paid
Average number of common shares outstanding (6)
Earnings per common share (after preferred dividends) (6)
Dividend paid per common share (6)
Common dividends paid
Working capital
Current ratio
Fixed assets
Total assets
Asset turnover ratio
Common shareholders' equity
Equity per common share (6)
Purchase of fixed assets
Depreciation of fixed assets
Cash flow from operations

(1) The 1971 and 1970 figures have been adjusted to reflect the inclusion of Western Aluminum Products, a partnership in which the Company had a 50% interest.

(2) Certain immaterial amounts have been reclassified in presenting the 1969 net earnings.

(3) Before crediting an extraordinary item of $143,029 (equivalent to $0.17 per common share).

(4) Five quarterly dividends were paid during the period.

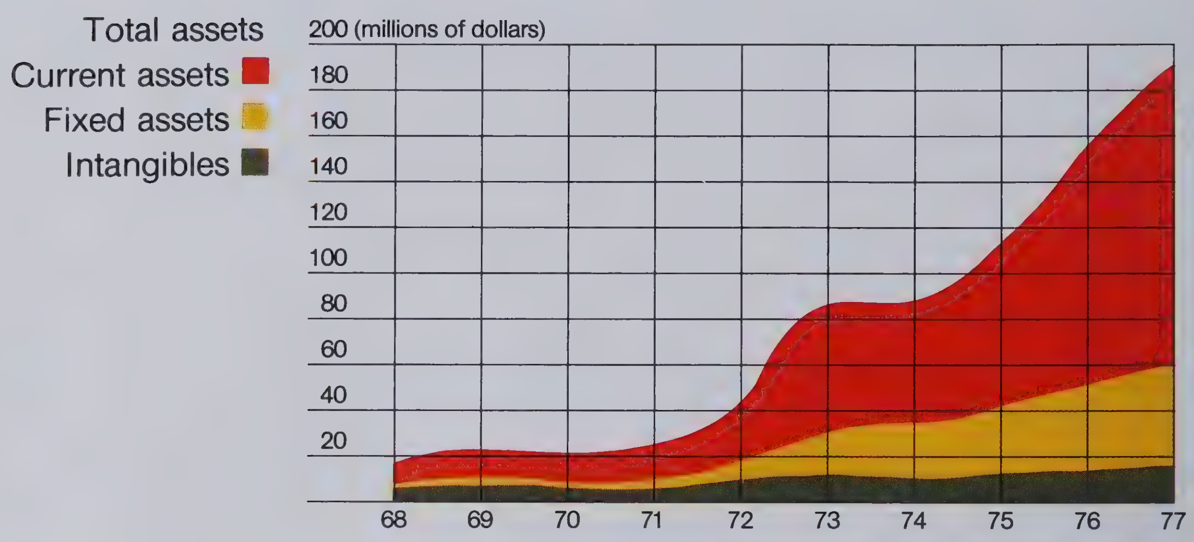
(5) 1976 figures have been restated to reflect a repurchase commitment for inventories of $8.982 million originally recorded by way of a note.

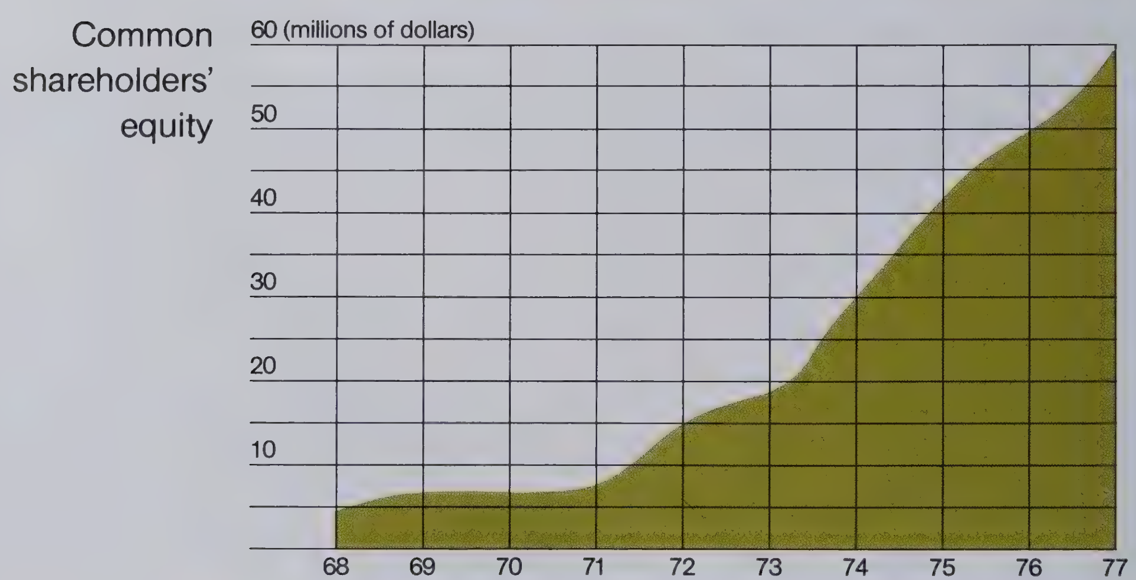
(6) The 1976 and previous figures have been adjusted to reflect a two for one stock split which was effected in 1977.

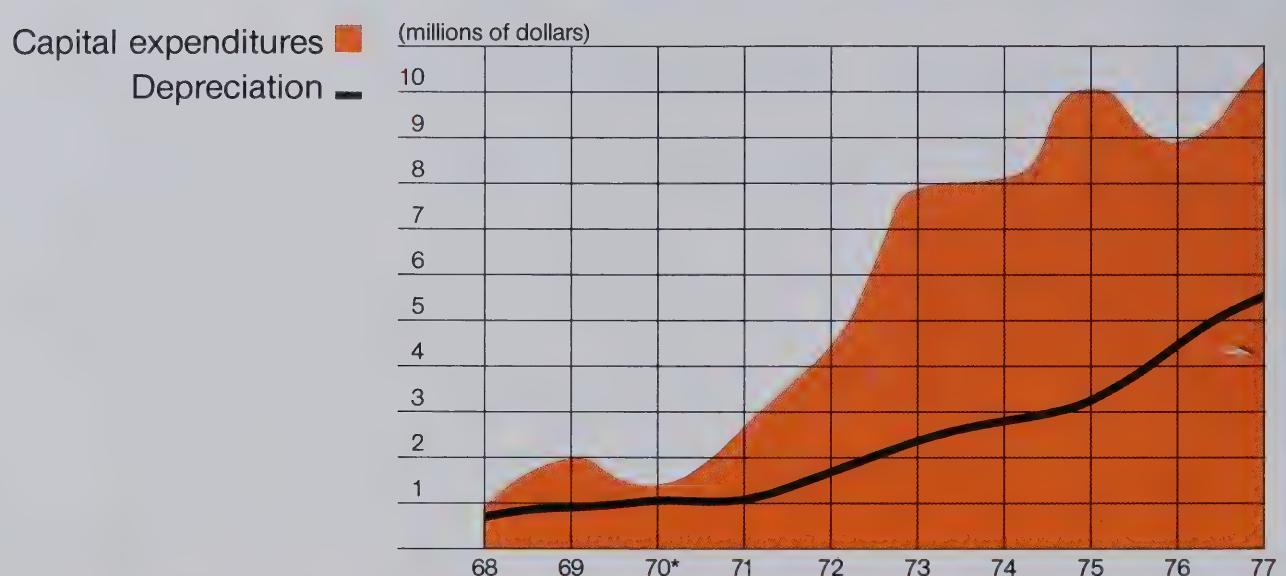
(in thousands of dollars)

1977	1976	1975	1974	1973	1972	1971	1970 (14 months)	1969	1968
212,150	158,691	109,317	111,824	89,904	70,689	43,122[1]	34,910[1]	26,077	20,760
226,176	236,404	109,349	75,741	36,229	—	—	—	—	—
55,031	42,993	31,775	30,859	21,819	16,214	10,142[1]	7,829[1]	5,853	4,696
3,681	5,210	3,342	5,040	1,379	—	—	—	—	—
19,279	19,193	15,118	15,519	8,625	4,927	2,875[1]	1,317[1]	1,891	1,833
10,007	9,474	7,480	7,037	3,855	2,098	1,163	473	834[2]	783[3]
68	72	77	83	87	93	98	129[4]	109	114
,226,159	6,060,116	4,809,244	3,975,534	3,126,630	2,770,632	1,911,346	1,902,092	1,834,254	1,653,074
$ 1.60	$ 1.55	$ 1.54	$ 1.75	$ 1.21	$ 0.73	$ 0.56	$ 0.19	$ 0.40	$ 0.41
49½¢	45⅞¢	45¢	38¾¢	21¼¢	15¢	10¢	12½¢[4]	10¢	10¢
3,066	2,782	2,187	1,594	661	410	191	237	178	165
36,579	35,152	24,733	15,137	6,935	5,127	3,475	4,305	1,955	2,380
1.4:1	1.5:1[5]	1.6:1	1.4:1	1.1:1	1.3:1	1.3:1	1.6:1	1.2:1	1.4:1
46,521	38,800	31,583	24,711	19,804	10,590	5,510	4,036	5,043	3,836
191,587	154,785[5]	112,762	87,380	86,599	44,606	27,874	21,919	21,011	16,902
1.1	1.0[5]	1.0	1.3	1.0	1.6	1.5	1.6	1.2	1.2
58,300	49,279	42,280	29,497	18,473	14,715	7,496	6,607	6,486	4,344
$ 9.02	$ 8.09	$ 7.03	$ 6.82	$ 5.81	$ 4.79	$ 3.92	$ 3.47	$ 3.42	$ 2.61
10,638	8,885	10,036	8,035	7,892	4,350	2,582	1,331	1,941	907
5,786	4,452	3,274	2,846	2,371	1,789	1,125	1,168	954	714
18,919	18,175	13,543	12,543	7,884	4,327	2,348	1,238	1,735	1,918

Financial charts







*14 months

Presses for production of metal stampings and stamped assemblies for North America's car and truck industry in Windsor plant of Fabricated Steel Products. $5.15 million expansion program in 1978 will increase plant's production capacity by 20 percent.

Computer controlled glass cutting equipment at Tempglass Western Inc.'s plant in Fremont, California cuts large sheets of architectural glass to meet customers' specifications. Up to 30 orders may be cut from single sheet.

Operating subsidiaries and divisions

CANADA

	% of equity attributable to the company	
Insulating glass units	100	**AIRLITE GLASS INSULATING LIMITED, Toronto** J. Shapiro, President A. Adler, General Manager
Aluminum prime windows and patio doors	100	**ALUMIPRIME Division, Toronto** H. Lazar, President J.P. McGeown, General Manager
Aluminum patio, mirror and tub doors, and travel trailer components	100	**BRAMPTON ALUMINUM PRODUCTS LIMITED, Brampton** J.E. Faveri, President P. Ruttiman, Vice-President
Architectural aluminum store fronts, entrances, windows, curtain walls and automatic door operators	100	**COMMERCIAL ALUMINUM Division, Toronto and Calgary** B.R. Leaman, President A.J.A. Lavoie, General Manager — Calgary
Cold rollformed aluminum and steel	100	**CUSTOM ROLLFORMING COMPANY LIMITED, Toronto** G. Berdan, President
Zinc die cast products	100	**CUSTOM ZINC DIE CASTING LIMITED, Toronto** R.M. Dyon, President
Design engineering, structural and marine products	100	**DAF INDAL LTD., Mississauga** M.R. Maynard, President A. Poxon, General Manager
Commercial and institutional windows and specialty architectural systems	100	**DOMINION BRONZE LIMITED, Winnipeg, Calgary and Edmonton** J. Adams, President
Cold rollformed steel and aluminum industrial and agricultural roofing and siding	100	**EASTLAND METALS LTD., Mississauga** C.H. Wilson, President G.R. Grant, General Manager
Automotive parts and steel containers	80	**FABRICATED STEEL PRODUCTS (WINDSOR) LIMITED, Windsor** A.W. Eansor, President
Automotive bumper recycling and industrial plating	100	**FAIRMONT PLATING (ALTA) LTD., Edmonton, Calgary, Regina and Saskatoon** **FAIRMONT PLATING (MAN) LTD., Winnipeg** E.S. Kynnersley, President
Storm and patio door hardware and aluminum home improvement products	100	**FASHION GRILLES Division, Toronto** R.M. Dyon, President
Aluminum prime windows and patio doors	100	**HIALCO MFG. Division, Port Coquitlam, Kamloops, Kelowna and Nanaimo** P. Houweling, President
Aluminum storm doors, windows and garden houses	100	**INDAL PRODUCTS LIMITED, Rebmec Division, Toronto and Amherst** J.C. Middlebro', President R.B. Janes, General Manager — Maritimes
Aluminum extrusions, surface finishings and fabricated products	100	**INDALEX Division, Toronto, Montreal, Calgary and Port Coquitlam** W.J. MacDonald, President P.J. Lewis, Vice-President, Finance K.B. Carruthers, General Manager — Toronto R. McBride, General Manager — Montreal M. McNiven, General Manager — Calgary R.D. Smith, General Manager — Port Coquitlam
Aluminum recycling and billet casting	100	**INDALLOY Division, Toronto** J. Blocha, President
Aluminum ladders	100	**LITE METALS Division, Mississauga** E. Delorenzi, Plant Manager
Fibreglass boats and aluminum boats and canoes	100	**MARINE Division, Toronto** R.C. Dolphin, General Manager
Wood and vinyl windows	100	**McKNIGHT WINDOW INDUSTRIES LIMITED, Toronto and Ottawa** J.N. McKnight, President J.N. LeHeup, Executive Vice-President D.R. Williams, Vice-President and General Manager
Demountable walls and office landscape partitions	100	**RAM PARTITIONS LIMITED, Toronto** J.E. Faveri, President A.W. Stokes, Vice-President
Glass tempering and processing	85	**TEMPGLASS LIMITED, Toronto** I.R. Moore, President W.C. Metcalfe, Vice-President
Residential steel entrance doors	63¾	**THERMA-TRU LIMITED, Toronto** S.G. Abray, President

Aluminum and wood prime windows, doors, mobile home components and insulating glass units	100	**WESTERN ALUMINUM PRODUCTS, CALGARY Division, Calgary, Kamloops, Kelowna, Lethbridge, Medicine Hat, Regina and Saskatoon** C.M. Kline, President A. Hawrelak, Vice-President, Finance A.J. Vasilakos, Vice-President, Production
Aluminum and wood prime windows, doors, mobile home components and insulating glass units	100	**WESTERN ALUMINUM PRODUCTS, WINNIPEG Division, Winnipeg and Thunder Bay** G.T. Newsham, President
Aluminum and wood prime windows, doors, mobile home components and insulating glass units	100	**WINDOWMASTER PRODUCTS Division, Edmonton and Prince George** G.G. Orpe, President B.J. Goshko, Vice-President
Cold rollformed steel and aluminum industrial and agricultural roofing and siding and rainwater goods	100	**WESTLAND METALS LTD., Richmond, Calgary and Edmonton** R.B. Leeson, Chairman B.G. Harrison, President J. Burgess, General Manager — Calgary R. Benson, General Manager — Edmonton

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Aluminum prime windows and patio doors	60	**ALAMO ALUMINUM CORP., Santa Clara, CA** A. Clark, President R. Hopper, Vice-President
Technology licencing and capital equipment marketing	87½	**ALUMINUM PROCESSES INCORPORATED, Cleveland** C.C. Andrews, President
Aluminum screen doors, weatherstripping, thresholds, storm doors and security doors	75	**EMPIRE METAL PRODUCTS CORPORATION, Los Angeles and Columbus, OH** D.E. Stewart, President R.M. Stone, Vice-President and General Manager — Los Angeles J.B. Teets, Vice-President and General Manager — Columbus
Expanded aluminum metal products	90	**INDAL FABRICATORS INC., Louisville** R.A. Powell, President
Aluminum extrusions and fabricated products	100	**MIDEAST ALUMINUM INDUSTRIES, INC., Dayton, NJ and Mountaintop, PA** R.B. Sowers, President
Zinc die cast products	72½	**NORTH AMERICAN DIE CASTING CORP., Fredericksburg, VA** S.H. Ruderfer, President P. Crain, Vice-President
Aluminum replacement windows	85	**REPLACEMENT PRODUCTS INDUSTRIES CORPORATION, Philadelphia** S. Katz, President
Metal trading	75	**RIO INDAL, INC., Cleveland** N.L. Butkin, President E.J. Henderson, Executive Vice-President
Aluminum extrusions and fabricated products	100	**ROYAL ALUMINUM, INC., Los Angeles** R.E. Smith, President
Wood windows, patio doors, insulating glass units and cut-stock lumber	73⁷⁄₁₀	**SEALRITE WINDOWS, INC., Lincoln, Chicago and Spokane** H.H. Heumann, Chairman P. Brown, President
Glass tempering and processing	70	**TEMPGLASS, INC., Toledo** I.D. Fintel, President
Glass tempering and processing	70	**TEMPGLASS WESTERN, INC., Fremont, CA** R.B. Cobie, President

Location of plants, warehouses and sales offices

49 Number of plants
18 Number of offices/warehouses

Printed in Canada